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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 12, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 1607

Michael Pauletto
I & P Investments
11204 Northwest 37 Court
Vancouver, Washington 98685

Subject: Notice of Cancellation of Reclamation Letter of Credit Number [redacted] I & P Investments, Green Peak Mine, M/003/0060, Box Elder County, Utah

Dear Mr. Pauletto:

Please review the enclosed notice of non-renewal notification from Riverview Bank indicating letter of credit (LOC) number [redacted] in the amount of \$74,700.00 for the Green Peak mine will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a ninety-day notice is given to the Division. These terms have been met; therefore, effective August 1, 2011, the LOC will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation notice.

You are hereby advised that the Division must receive a replacement form of surety on or before June 10, 2011, or the Division will be forced to do any/some of the following:

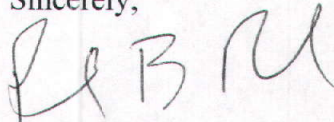
- Carry out the terms of LOC number [redacted]
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

The replacement surety must be in the amount of at least \$117,000.00. The Division required this increased amount by letter dated July 13, 2010. I & P Investments was to have reclaimed a portion of the disturbed area to reduce the reclamation liability, but this reclamation was not done. Therefore, the full amount is now required.

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If you have questions or require assistance regarding the surety, please contact Penny Berry at (801) 538-5291 or email bondcoordinator@utah.gov. Other questions about this letter can be addressed to me at (801) 538-5261 or to Lynn Kunzler at (801) 538-5310. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

Cc: oabeyta@blm.gov

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